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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON**

**SMITH & NEPHEW, INC. and JOHN O.
HAYHURST, M.D.,**

Civil No. 3:04-CV-00029 MO

Plaintiffs,

JUDGMENT

PATENT CASE

v.

ARTHREX, INC.,

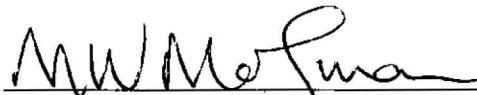
Defendant.

This action came before the Court for a trial by jury. The issues have been tried and the jury rendered its verdict on June 11, 2008. In accordance with that verdict, therefore,

IT IS HEREBY ORDERED AND ADJUDGED that judgment be and is hereby entered in favor of the plaintiffs, Smith & Nephew, Inc. and John O. Hayhurst, M.D., and against the defendant, Arthrex, Inc., that: Arthrex indirectly infringes claims 1, 2, 3, 4, 5, 6 and 7 of U.S. Patent No. 5,601,557 ("the '557 patent") by selling or marketing its Bio-SutureTak anchors; that Arthrex indirectly infringes claims 1, 2, 3, 4, 5, 6 and 7 of the '557 patent by selling or marketing its PEEK SutureTak anchors; that Arthrex indirectly infringes claims 1, 2, 3, 4, 5, 6 and 7 of the '557 patent by selling or marketing its PEEK PushLock anchors; that Arthrex indirectly infringes claims 1, 2, 3, 4, 5, 6 and 7 of the '557 patent by selling or marketing its Bio-PushLock anchors; that Arthrex's indirect infringement of the '557 patent is willful; that based on the sales information presented at trial, the court enters judgment in favor of the plaintiffs and against defendants in the amount of \$4,788,014.00 for lost profits damages and \$9,907,844.00 for reasonable royalty damages, and the reasonable royalty rate is 16%; that plaintiffs are awarded

prejudgment interest for the period up to July 31, 2008 in the amount of \$1,507,309, further interest to be calculated; and that plaintiffs are awarded supplemental damages in an amount to be determined.

DATED: 19 Nov. '08



UNITED STATES DISTRICT JUDGE